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ODP CORE SUBMISSION

CATEGORY II: Ways in which we could make capital investments now in order to save money in the future.

1. New Headquarters Building

A new Headquarters building with, and to a lesser extent even without a large computer facility would provide the opportunity for considerable cost savings. The majority of savings would come from the reduced requirement for outbuilding support. This would decrease communications-related costs, hardware, maintenance, TEMPEST, personnel and miscellaneous support costs. If the new building contained a computer facility, that facility could be designed from scratch to meet current and projected requirements. In addition, certain savings resulting from consolidations of the ODP centers discussed in #5 and #10 below would also obtain.

2. Increase in Funds and/or Positions for Software Development

Many cost savings recommendations derive from the benefits of automating manual systems or redesigning currently automated systems. ODP and the Agency in general are currently underinvested in the software development area: additional funds and/or slots for ODP or other components would mitigate this problem. Cost savings would of course depend on the specific application automated.

CATEGORY III: Efficiencies in overhead that could be accomplished without affecting service.

3. Competitive Procurement

Very substantial discounts have been provided by computer equipment manufacturers in bidding on competitive procurements. Competitive procurement of the equipment for the SAFE Computer Center represented a savings of several million dollars. However, these savings must be tempered by the cost for the procurement action itself and the costs of working with new equipment, bringing in new support people, and assimilating a new vendor into the ODP environment. Increased emphasis on competitive procurement may result in considerable cost savings.

4. Prompt Payment Discount

Many manufacturers and vendors of computer equipment offer prompt payment discounts of 3-5 percent for early receipt of

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the monthly payments due. The annual savings by taking advantage of these discounts, for example, amounts to approximately \$110,000 for three Amdahl computer systems in ODP. Increased emphasis Agency-wide by all participants (customer, Finance and Logistics) should be encouraged to take advantage of these discounts. As a start, a study of our prompt payment discount performance should be initiated.

5. Locate 4C Computer Center Contiguous to the Ruffing or Special Center

Because of space limitations the new Community-wide Compartmented Clearance Computer System (4C) will be located in a specially configured computer center in the Building. Location of 4C in space contiguous to an existing ODP center would permit a large personnel savings over the life of the system. The reduction would be approximately 4 operator positions for an annual savings of \$80K.

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6. Component Budgeting of Terminals

Currently ODP budgets for terminals connected to its central services (both new terminals and replacements.) If components were forced to budget, presumably justifications would be more closely scrutinized by the management of the requesting office.

7. Agency-wide Information Processing Standards

There is an Agency-wide Committee on Software Engineering Standards chaired by the Information Handling Systems Architect. Increased emphasis and management support for Agency-wide information processing standards (hardware, software and data) should result in a considerable savings.

8. End-of-Year Funding Controls

A mechanism should be designed to control at the directorate or DCI level end of year spending for ADP hardware and other types of capital equipment. Controlling the component tendency to stockpile hardware without significant justification should result in a considerable savings.

9. Reduction of Output Products

The computer permits the printing of large quantities of output products without human intervention. The proliferation of reports in general and excess copies in particular is therefore encouraged. "Zero-basing" computer output product requirements periodically should result in savings in computer time, personnel time, and paper and storage space.

CATEGORY IV: Efficiencies to save money that would result in changes and would also cause a degradation in service.

10. Consolidation of the Ruffing and Special Centers

Hyperchannel technology could be used to link the CPU and peripherals in both the Ruffing and Special Centers. This would allow ODP to reassign systems and applications to CPUs in a more efficient manner. Also possible would be the consolidation of the tape library and output point which would result in a considerable personnel savings. The net result would be the elimination of one major CPU and associated peripherals, and 15 operator positions. The CPU savings would amount to approximately \$925K annually over a 10 year systems life and the personnel savings about \$300K. The drawbacks of this consolidation are, however, potentially significant: loss of DO compartmentation, moderately high technical risk, and estimated additional costs of \$1.4M over a 10 year systems life.

CATEGORY V: Realignment of functions

Organizational realignment in the ADP area was recently studied extensively by the Information Handling Task Force and rejected by senior Agency management. A coordinating mechanism, the Office of the Information Handling Architect, was established in lieu of reorganization. We therefore have chosen not to reopen these issues at this time.